

92 power and energy from Genco at wholesale, under a contract approved by the FERC, and
93 supplies power and energy to AmerenCIPS under the PSA and supplies power to other
94 customers at wholesale and retail. As I noted above, AEMC also assumed AmerenCIPS'
95 energy entitlement under AmerenCIPS' Power Supply Agreement with EEInc.

96 Q. How does Ameren intend to restructure its operations?

97 A. Under the proposed restructuring, Ameren intends to transfer the electric transmission and
98 distribution assets and associated obligations of AmerenUE's Metro East retail operations in
99 Illinois to AmerenCIPS. Under the plan, AmerenUE would cease doing business as an electric
100 utility in the state of Illinois. In a separate filing, Ameren proposes to transfer the gas
101 distribution assets and obligations of AmerenUE's Metro East retail operations in Illinois to
102 AmerenCIPS. AmerenUE would cease doing business as a gas utility in Illinois.

103 Q. How will the proposed transfer be implemented?

104 A. The transfer of the combined electric and gas assets is planned to be accomplished in the
105 following manner:

- 106 1. AmerenUE will transfer approximately 50% of the combined assets net of liabilities to
107 AmerenCIPS in exchange for a promissory note in an amount equal to approximately
108 50 percent of the total net book value, estimated to be approximately \$51 million.
109
- 110 2. AmerenUE will hold the note and receive payments including interest from
111 AmerenCIPS.
112
- 113 3. AmerenUE also will declare an "in kind" dividend to Ameren equal to the remaining
114 balance (approximately 50 percent) of net book value of the combined assets net of
115 liabilities, estimated to be approximately \$51 million.
116
- 117 4. Ameren will then transfer the dividended assets and liabilities to AmerenCIPS as a
118 capital contribution.
119

120 Q. Please describe the proposed transaction if AmerenUE's Illinois electric business is transferred
121 to AmerenCIPS separately from its gas business.

122 A. The transfer is proposed to be accomplished in the same manner as described above. In the
123 case of the transfer of the electric assets only, the estimated amount of the promissory note is
124 \$46 million and the estimated amount of the dividend is \$46 million.

125 Q. In making these estimates as to net book value, what date did you assume for the asset transfer?

126 A. The estimates are based on a projected December 31, 2000 transfer date. The estimates will
127 be adjusted to financial records at the time of the actual transfer.

128 Q. Please explain why Ameren is proposing to divide the transfer into two parts, promissory note
129 exchange and dividend – capital contribution.

130 A. The 50% note and 50% dividend structure of the transaction will maintain a capital structure at
131 AmerenCIPS substantially the same as its present capital structure. Debt and equity at
132 AmerenCIPS will increase by the same amount. The 50% debt and 50% equity nature of this
133 transaction also helps to maintain return on equity at AmerenCIPS, after transfer, at
134 approximately the same level as before transfer.

135 Q. What assets and obligations will be transferred?

136 A. AmerenUE will transfer its electric transmission and distribution assets and associated general
137 plant assets and related liabilities in Metro East to AmerenCIPS. These assets and liabilities are
138 described in the form of the Asset Transfer Agreement, which is attached to the Notice of
139 Transfer as Appendix A. AmerenUE's Venice generating station and transmission facility
140 dedicated to its exclusive use are not included in the proposed transfer. No assets recorded in
141 generation accounts on AmerenUE's books will be transferred to AmerenCIPS.

142 AmerenUE will also assign all related obligations to AmerenCIPS, including without
143 limitation, the certificates of public convenience and necessity granted by the Commission
144 authorizing AmerenUE to provide electric utility service in Illinois, environmental permits, all
145 municipal and county franchises, labor agreements (as applicable), and any other relevant
146 agreements that exist as of the transfer date.

147 Q. Please describe the terms of the promissory note proposed to be issued by AmerenCIPS as a
148 part of the transfer.

149 A. The note will have an initial five year term, with a ten-year amortization schedule, with a balloon
150 payment at the end of the fifth year, unless the note's term is extended for an additional five
151 years by agreement of the parties. The note will be deeply subordinated to all other debt of
152 AmerenCIPS. The form of promissory note proposed to be issued by Ameren CIPS is
153 attached to the Notice of Transfer as Appendix B.

154 Q. What is the effect of the proposed transfer?

155 A. The effect of the various components of the transfer is that, as of the transfer date, AmerenUE
156 will no longer own any transmission (except transmission dedicated to the Venice generating
157 station) or distribution assets in Illinois nor be responsible for any of the liabilities, supply
158 contracts or labor agreements associated with those assets. AmerenCIPS will assume all
159 transmission and distribution obligations of Metro East. AmerenCIPS will maintain a capital
160 structure substantially the same as its present capital structure. AmerenUE will continue to
161 function as a fully integrated utility in Missouri and will retain ownership of certain generation
162 assets in Illinois. AmerenUE will cease to act as an electric utility in Illinois.

163 Q. After the transfer, what will be the source of power and energy to serve the transferred
164 customers?

165 A. The requirements of the transferred customers, like AmerenCIPS' existing customers, will be
166 satisfied pursuant to the FERC jurisdictional PSA between AEMC and AmerenCIPS, which
167 extends to December 31, 2004.

168 Q. Mr. Nelson, please explain why Ameren proposes to transfer the Illinois electric properties of
169 AmerenUE to AmerenCIPS.

170 A. In short, the purpose of the transfer is to insulate Metro East electric customers from the risks
171 associated with the competitive generation business through 2004 (the term of the PSA and the
172 end of the Customer Choice Law transition period described below), and to assign the risks
173 and benefits of competitive operations to entities specifically created to operate in a competitive
174 environment. As discussed in the Notice, Ameren seeks to separate all of its wires business in
175 Illinois from the generation business. Ameren previously did so, with the Commission's
176 approval for AmerenCIPS, and Ameren now seeks to do so for AmerenUE's Illinois
177 operations.

178 Q. Please explain further.

179 A. Ameren is proposing to restructure its operations in consideration of the following issues and
180 benefits to Ameren and its retail customers.

181 1. AmerenUE's forecast shows that an additional supply of power and energy beyond
182 its current generation capacity will be required through 2004 and beyond in order to
183 provide for its Missouri and Illinois customers' needs and maintain a 15% reserve
184 margin. AmerenUE forecasts capacity shortfalls of 327 MW in 2001, 410 MW in

185 2002, 462 MW in 2003, and 583 MW in 2004. These shortfalls will have to be
186 met through the purchase of power and energy at market prices or with the addition
187 of new AmerenUE generation capacity.

188 2. The transfer of AmerenUE's Metro East service territory in Illinois to AmerenCIPS
189 would include the transfer of 520 MW of net load. This transfer would alleviate
190 AmerenUE's capacity shortfall through 2004.

191 3. AmerenCIPS has a PSA with AEMC that provides full requirements for
192 AmerenCIPS which will automatically cover the transferred load, thus assuring
193 Metro East customers an adequate power supply. The PSA should help insulate
194 Metro East customers remaining on bundled tariffs from the volatility of market
195 prices through 2004.

196 4. The transfer will insulate these customers remaining on bundled tariffs from any
197 meaningful risk of a rate increase through the term of the PSA, December 31, 2004.

198 5. The transfer will assure an adequate power supply for the former AmerenUE Metro
199 East customers, while maintaining the same rates that were in existence before the
200 transfer. AmerenCIPS intends to maintain the same rate schedules that were in
201 existence immediately prior to the transfer.

202 6. Ameren anticipates administrative cost savings after the transfer. The elimination of
203 one utility in Illinois will decrease the number of regulatory filings required of
204 Ameren. As an example, Section 16-125(b) of the Public Utilities Act, 220 ILCS
205 5/1-101et seq. requires each utility in Illinois to file an electric reliability report
206 including the results of a survey of customers. The transfer will enable Ameren to

207 consolidate the reports and eliminate the cost of a separate and redundant survey in
208 the former AmerenUE territory. It will also provide for a single point of contact in
209 AmerenCIPS for regulatory matters in Illinois.

210 7. The pending version of the Standards of Conduct and Functional Separation Rules
211 for Illinois Utilities imposes different levels of compliance on electric utilities based
212 on the location of their principal service territory. After the transfer the functioning
213 of Ameren's retail electricity business in Illinois will be subject to a consistent set of
214 rules governing energy supply activities within the utility. In addition, the transfer will
215 provide a clean split between Ameren's activities in Illinois and Missouri, which is
216 not deregulated at this time.

217 8. The transfer will terminate the obligation of AmerenUE's Illinois customers to pay
218 decommissioning charges related to AmerenUE's Callaway nuclear plant.

219

220 Q. How will the transfer achieve functional separation?

221 A. AmerenUE's customers will become AmerenCIPS' customers. Since AmerenCIPS has
222 divested itself of generation assets, the transfer would accomplish the functional separation.
223 AmerenCIPS' has already transferred its generating assets to Genco. Genco is providing
224 capacity and energy to AEMC which, in turn, is supplying AmerenCIPS' capacity and energy
225 needs for the bundled and market-based tariffs it will provide through 2004, the end of the
226 Mandatory Transition Period. Likewise, the PSA will be used to supply capacity and energy
227 needs for bundled and market-based tariffs for the transferred Metro East customers.

228 Q. Will the transfer benefit consumers?

229 A. Yes. As I have discussed, the transfer will help insulate the Metro East customers transferred to
230 AmerenCIPS from all meaningful risk of a bundled rate increase during the term of the PSA.
231 The PSA is a full-supply contract which will supply the energy needs of customers remaining on
232 bundled tariffs at a fixed price. Energy needs of customers on market-based tariffs will be
233 supplied at a market price. Therefore, the PSA will insulate customers from market and
234 operating risks associated with the competitive generation business. During the term of the
235 contract, customers will not have to bear market price or customer loss risks inherent in the
236 generation business. Customers will be insulated from operating risks such as loss of a unit. In
237 addition, the contract insulates customers from normal operating and maintenance cost
238 increases. Accordingly, the transfer will benefit consumers.

239 Q. Will AmerenCIPS be capable of providing safe and reliable services after the proposed
240 transfer?

241 A. Yes, after the transaction, AmerenCIPS will continue to provide safe and reliable utility service.
242 The Power Supply Agreement with AEMC, initially, and later the wholesale market, will
243 provide AmerenCIPS with a safe and reliable source of electric supply. Moreover, AEMC has
244 adequate capacity to serve the existing AmerenCIPS load and the AmerenUE load that is to be
245 transferred. Appendix K to the Notice of Transfer is a load-resource analysis for AEMC for
246 the years 2001-2004. That analysis shows that AEMC has adequate existing resources to
247 serve the post-transfer AmerenCIPS load.

248 Q. Will there be any change in customer service after the transfer?

249 A. No. From the perspective of customer contact, there will be little in the way of noticeable
250 change. The same people will be using the same systems, procedures and processes and will

251 continue to deliver the high quality service our customers have come to expect. Existing systems
252 and processes of handling customer reported outages and other problems will not change.

253 Q. Is AmerenCIPS likely to request a base rate increase after the transfer?

254 A. No. The projected returns on equity provided in Appendix F of the Notice of Transfer amply
255 demonstrate that there is very little risk that AmerenCIPS would be entitled to request a base
256 rate increase under Section 16-111(d). That subsection authorizes a utility to seek a base rate
257 increase where it can demonstrate that the two-year average of its return on equity is below the
258 average of the monthly yields of 30 year Treasury bonds for the same period. Treasury bond
259 yields have averaged 5.79% for the two-year period ending June 2000. By contrast, and based
260 on conservative assumptions, the lowest annual projected return on equity with the transaction,
261 shown on Appendix F, is well above that figure.

262 Also, as explained above, the PSA ensures that generation-related costs cannot
263 increase before January 1, 2005, and are frozen at their current level. Hence, there is very little
264 risk - and certainly "no strong likelihood" - that AmerenCIPS would be entitled to seek a rate
265 increase during the transition period as a result of the transfer of AmerenUE transmission and
266 distribution assets.

267 Q. Does this conclude your testimony?

268 A. Yes, it does.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

DIRECT TESTIMONY
OF
ROBERT J. MILL

Q. Please state your name and business address.

A. My name is Robert J. Mill. My business address is 607 E. Adams Street, Springfield, Illinois, 62739.

Q. By whom are you employed and in what capacity?

A. I am the Manager of the Regulatory Department of Central Illinois Public Service Company d/b/a AmerenCIPS ("AmerenCIPS" or "Company"), a subsidiary of Ameren Corporation. I have responsibility for the design and administration of electric and gas tariffs, and the formulation of the Company's rate policies.

Q. Please state your work experience and educational background.

A. I began my career at AmerenCIPS in 1976, in the Accounting Department. In 1979, I was promoted to the Rates and Research Department, and thereafter I held several analytical and supervisory positions within that department until 1989, when I was named manager. In 1993, I was named manager of the Corporate Planning Department, responsible for overseeing economic and financial forecasting activities, strategic planning and resource planning functions. Early in 1995, as the result of restructuring, the Corporate Planning Department was eliminated, and I became manager of the Regulatory Department.

I received a Bachelor of Science degree in 1975 from Western Illinois University and a Master of Arts degree in business administration in 1981 from Sangamon State University, now known

27 as the University of Illinois at Springfield. I have also completed courses offered by the Edison
28 Electric Institute and the National Economic Research Associates relating to rate fundamentals
29 and cost of service. I have previously testified on behalf of the Company in various proceedings
30 before the Illinois Commerce Commission and the Federal Energy Regulatory Commission
31 ("FERC").

32 Q. What is the purpose of your testimony?

33 A. I will discuss the Power Supply Agreement ("PSA") between AmerenCIPS and Ameren
34 Energy Marketing Company ("AEMC") that will be used by AmerenCIPS to obtain the power
35 and energy supply requirements for the Illinois Metro East area of AmerenUE ("Metro East")
36 after the transfer. Also, I will discuss the transfer of the Metro East electric tariffs currently in
37 effect and plans to maintain those tariffs separately from existing AmerenCIPS rate schedules
38 after the transaction closes.

39 Q. Please describe the currently effective PSA between AmerenCIPS and AEMC.

40 A. The PSA, attached to my testimony as Schedule 1, was approved by the FERC in Docket No.
41 ER00-816-000 and has been in effect since May 1, 2000 (effective date of AmerenCIPS'
42 generating asset transfer). The ICC also reviewed and approved AmerenCIPS' entry into the
43 PSA in connection with the ICC's review of the sale of AmerenCIPS' electric generating assets
44 to an affiliate, Ameren Energy Generating Company ("Ameren Generating"). The purpose of
45 the PSA is to provide AmerenCIPS a source of long-term power and energy supply, through
46 2004, to meet the power supply needs of AmerenCIPS after the sale of its generating assets.

47 Q. Please describe the pricing provisions contained in the PSA.

48 A. There are two pricing provisions incorporated within the agreement; (1) fixed pricing for
49 customers taking service under standard bundled tariffs and (2) "market-priced sales" pricing
50 provisions for customers taking service pursuant to unbundled power supply tariffs (Power
51 Purchase Option ("PPO"), Partial Requirements Power Service ("PRPS") and No Notice
52 Power Service ("NNPS")) or special rate contracts. Under the fixed pricing provisions there is
53 a monthly energy charge of \$21.81 per megawatt-hour that is applicable to all megawatt-hours
54 delivered each month by AEMC to the AmerenCIPS Points of Delivery which, after the
55 transfer, would include the Metro East system. There is also a fixed capacity charge of
56 \$69,708 per megawatt-hour applicable to the higher of: (1) the AmerenCIPS forecasted highest
57 peak demand as included in the loads reported to MAIN for that year, or (2) the actual highest
58 annual firm peak demand, minus any firm demands associated with market-priced sales. Under
59 this approach, the capacity charge for any connected interruptible customers is effectively set at
60 zero, since such customers will be curtailed during the annual peak hour and their demand will
61 not be captured in the capacity charge calculation.

62 Q. Would you please discuss the reason for a different pricing approach for market-priced sales?

63 A. Yes. Power and energy prices for such sales are either based on a calculated market value
64 (NFF or Index-based tariff) or by negotiation. As a result, AmerenCIPS was concerned that
65 when the "market-based prices" were lower than the fixed PSA prices that were originally set
66 to reflect the level of power supply-related revenue in its bundled tariffs, it would be overpaying
67 for that power and energy. Such occurrences would have the effect of eroding AmerenCIPS'
68 return on common equity. To resolve this concern, the market-priced sales provision was
69 added to the PSA. Administratively, AmerenCIPS tracks the revenue amount received from

70 market-priced power and energy transactions and pays that amount to AEMC each month for
71 the power and energy it provided for those sales. The market-priced sales quantities
72 (megawatt-hours and megawatts) are then subtracted from the control area billing determinants
73 used to charge AmerenCIPS for all remaining power and energy purchases that are subject to
74 the fixed prices.

75 Q. What is the term of the PSA?

76 A. The term of the PSA is through December 31, 2004, coinciding with the end of the retail rate
77 freeze period pursuant to the Illinois Customer Choice Law of 1997. Power supply
78 requirements after that date will be the subject of an RFP process that could be initiated as early
79 as 2003.

80 Q. How will the PSA accommodate the transferred Metro East customers?

81 A. The existing PSA will provide a reliable source of supply for the combined territories after the
82 transfer without any modifications. By definition, the AmerenCIPS Delivery Points would
83 include the Metro East territory after the transaction closes. Consequently, the fixed capacity
84 and energy charges would then apply to the loads of the combined Illinois territories. As I
85 noted above, interruptible demand will not be reflected in the capacity charge calculation. This
86 properly treats the Metro East interruptible customers. To the extent there are any market-
87 priced sales in the Metro East territory, that provision would also work the same as it does for
88 AmerenCIPS currently.

89 Q. Will AEMC have adequate supply to serve the additional load?

90 A. Yes, it will. AEMC has a supply contract with Ameren Generating that runs concurrently with
91 the PSA. AEMC's supply contract requires Ameren Generating to serve AEMC's full load,

92 which includes the AmerenCIPS requirements, whatever they may be. Ameren Generating's
93 resources greatly exceed the combined AmerenCIPS-Metro East load for the term of the PSA.

94 Q. How will AmerenCIPS manage the AmerenUE rate schedules after the transfer?

95 A. AmerenCIPS will continue to maintain a separate schedule of rates for the Metro East retail
96 natural gas and electric customers, through at least the mandatory transition period under the
97 Customer Choice Law. This would also include a separate schedule of rates for delivery
98 services. AmerenCIPS has experience with maintaining separate rate schedules after
99 acquisitions on both the electric and natural gas sides of its business. Most recently the
100 Company acquired AmerenUE's former electric territory in western Illinois (Hancock County)
101 and since that acquisition in January, 1993, it has maintained a separate rate schedule for that
102 territory.

103 Q. Are there any plans at this time to combine AmerenUE and AmerenCIPS' retail rate schedules?

104 A. No, we have no immediate plans to do so. We may be able to consolidate certain tariff terms,
105 conditions and rate administration policies for the separate rate areas in order to facilitate
106 customer service, rate administration and customer understanding. A good example of a
107 "partial consolidation" exists in the AmerenCIPS Hancock County tariffs (Ill. C. C. No. 10).
108 AmerenCIPS has separate and distinct electric charges applicable to Hancock County
109 customers, but cross references a number of tariff sheets in AmerenCIPS' main electric tariff
110 book (Electric Service Schedule No. 15) applicable to the vast majority of AmerenCIPS
111 electric customers. That approach limits the number of duplicate tariff sheets that must be
112 maintained by all rate book holders and fosters the benefits discussed above for customers,
113 consultants and employees. In the future, consolidation of the tariffs may be appropriate. A

114 proposal to consolidate tariffs, of course, would be subject to Commission approval. With
115 respect to electric delivery service tariffs, and to a large extent the natural gas tariffs, a great deal
116 of work has already been completed toward uniformity of the various tariff terms and
117 conditions. The principal remaining differences relate to pricing levels. For the electric delivery
118 service and natural gas tariffs it may be possible to create a single set of tariffs, but yet reflect
119 different price levels for the "zone" that a customer's service is being rendered. The ICC would
120 first have to approve any such proposal, of course, but we are not making that proposal in this
121 docket.

122 Q. Please describe the tariffs that were attached to the Notice filed in this proceeding.

123 A. We have provided a complete set of electric bundled tariffs and delivery services tariffs that we
124 are proposing to take effect for the Metro East territory upon closing of the transaction. I note
125 that we have also provided a complete set of natural gas tariffs with the Notice requesting
126 transfer of the Metro East gas assets to AmerenCIPS. The tariffs are virtually identical to the
127 AmerenUE tariffs in effect currently in its Metro East territory, except for the header and footer
128 designations.

129 Q. What are the differences in the headers and footers?

130 A. The headers reflect the new rate schedule designation that corresponds to the AmerenCIPS
131 numbering sequence. We propose to identify the delivery services tariffs as Service Schedule
132 III. C. C. No. 17, and the electric bundled tariffs as Service Schedule III. C. C. No. 18. In the
133 Petition for transfer of the gas assets we are identifying the natural gas tariffs as Service
134 Schedule III. C. C. No. 16. We have maintained the same tariff sheet numbering convention as
135 AmerenUE with only minor exceptions, relating to those tariff sheets that were blank, cancelled

136 or no longer applicable to service. For those sheets, the tariff sheet was eliminated and its sheet
137 number skipped. To facilitate the Commission Staff's review of these tariff sheets, we wanted to
138 keep the new sheet numbers identical to those maintained presently by AmerenUE.
139 AmerenCIPS is willing to revise the sheet numbering prior to formally filing them to eliminate
140 numbering gaps. The footers reflect the name of AmerenCIPS' President, company address
141 and the filing date of the petition. The effective date has been left blank since the date the
142 transfer will be final has not been established. We plan to file the final set of tariffs with the
143 Clerk's office after the transaction has been approved by the regulators.

144 Q. Are there any other differences between the existing AmerenUE tariffs and the tariffs that have
145 been attached to the petition in this docket?

146 A. Yes, there are certain minor differences to which I previously alluded. There are several tariffs
147 in the electric bundled tariff book that were blank, previously cancelled, no longer applicable to
148 service or had provisions or references that were outdated. I have a complete list of tariff
149 sheets that were eliminated or modified during this process. That list is attached to my testimony
150 as Schedule 2. Some of the more significant differences between the existing Metro East tariffs
151 and those being submitted in this filing are: (1) the proposed tariffs do not include any of the
152 AmerenUE tariff sheets that are associated with nuclear decommissioning (bundled electric tariff
153 Sheets 122, 122.1 and delivery services Sheet 60); (2) AmerenCIPS revised Sheet No. 1
154 (Foreword) to describe the transfer of the Metro East area and provide some background
155 regarding the transfer of the rate schedules to AmerenCIPS; and (3) several other tariff sheets
156 were edited to remove paragraphs that discussed AmerenUE's rate policies for Iowa or
157 Missouri or contained references to areas that AmerenUE no longer serves. During the course

158 of this proceeding AmerenCIPS pledges to work with the ICC Staff in its review of the tariffs to
159 resolve any numbering issues, cross reference errors, or other provisions that need addressed.

160 Q. After the transfer, will AmerenCIPS continue to honor any refunds or revenue credits owed
161 Illinois customers by AmerenUE for periods prior to the transfer?

162 A. Yes. To the extent that AmerenUE would have triggered the excess earnings sharing
163 mechanism for the 1999-2000 period (16-111 (e)), AmerenCIPS would agree to flow any
164 such revenue credits back to the Metro East customers. AmerenCIPS also would agree to
165 honor any other obligations incurred by AmerenUE prior to the transfer, such as any refunds
166 pursuant to the Decommissioning Refund Rider. (For gas, there would be a PGA reconciliation,
167 as well.)

168 Q. Are there any other regulatory benefits of having AmerenCIPS responsible for all Illinois-based
169 Ameren retail customers?

170 A. Yes. From the standpoint of Commission notices and communications between the Illinois
171 Commerce Commission and Ameren it would be advantageous to deal with one company as
172 opposed to duplicating notices and mailings to both AmerenCIPS and AmerenUE as is the case
173 today. Also, future filings would be simplified by having only a single Ameren utility making
174 filings and participating in other matters at the Commission.

175 Q. Have you made public notice of this filing?

176 A. We intend to publish notice in newspapers of general circulation in the Metro East territory
177 shortly after this filing. We will provide a certificate of publication for the record.

178 Q. Does this conclude your testimony?

179 A. Yes.

ELECTRIC POWER SUPPLY AGREEMENT

Between Ameren Energy Marketing Company

And

Central Illinois Public Service Company

THIS ELECTRIC POWER SUPPLY AGREEMENT (hereinafter "EPSA") made as of this 1st day of May, 2000, by and between **AMEREN ENERGY MARKETING COMPANY**, (hereinafter "Company") and **CENTRAL ILLINOIS PUBLIC SERVICE COMPANY, d.b.a. AmerenCIPS** (hereinafter "Customer") (Company and Customer may be identified collectively as "Parties" or individually as a "Party") is for the supply by Company of all electric power and energy needed to meet the Customer's full requirements for electric power and energy.

WHEREAS, Company is engaged in the business of purchasing and reselling electric power and energy; and

WHEREAS, Customer, which is a vertically-integrated electric public utility in Illinois, is restructuring its operations in response to and in accordance with the Illinois Electric Service Customer Choice and Rate Relief Law of 1997 (the "Customer Choice Law") by transferring all of its existing generating facilities to a newly-formed generation-company affiliate ("Ameren Energy Generating Company" or "Genco"); and

WHEREAS, Company intends to enter into an agreement to purchase from Genco all of the capacity and energy available from the generating units that are transferred by Customer to Genco and any additional generating units that may be acquired by Genco in the future; and

WHEREAS, Customer is required by the Customer Choice Law to continue to offer bundled retail electric service within its existing retail electric service area in Illinois at rates specified by the Illinois Commerce Commission ("ICC") through December 31, 2004; and

WHEREAS, Customer may continue to make bundled sales of electricity to existing wholesale electric service customers; and

WHEREAS, Customer is also obligated by the Customer Choice Law to offer retail electric service to customers in Illinois under unbundled, market-priced tariffs on file with the ICC and may also sell power to others at market-based rates ("Market Price Sales") through December 31, 2004; and

WHEREAS, Customer desires to acquire from Company all the electric power and energy that is needed to enable it to provide electric service after the transfer of its generating units; and

WHEREAS, Company is capable of supplying all such power and energy to Customer and desires to do so pursuant to the rates, terms and conditions set forth herein.

NOW THEREFORE, in consideration for the agreements and undertakings established herein and the mutual benefits derived therefrom, it is agreed as follows:

1. FIRM ELECTRIC POWER AND ENERGY SERVICE

Company will supply and deliver to Customer all of the firm electric capacity and energy (hereinafter "Energy") needed by Customer to serve its native load, to operate its transmission and distribution system and to provide transmission and distribution services, to fulfill its obligations under all applicable federal and state tariffs or contracts, to satisfy regional reliability requirements, and for any other purpose related to the provision of wholesale or retail electric service and Customer shall purchase and pay for such Energy in accordance with the terms of this Agreement.

2. TERM

Subject to acceptance of this EPSA by the Federal Energy Regulatory Commission ("FERC"), supply and delivery of Energy pursuant to the EPSA shall begin on the Transfer Date established in the "Asset Transfer Agreement" dated May 1, 2000 between Customer and Genco and terminate at 12:00 P.M. CPT on December 31, 2004.

3. DELIVERY POINTS

All Energy supplied under this EPSA that is provided by generation sources acquired by Genco from Customer shall be deemed to be delivered at the bus bar connecting each such generation source to the Customer's transmission system. All Energy supplied under this EPSA that is provided by other generation sources shall be deemed to be delivered at the point of interconnection between Customer's transmission system and the transmission system over which the Energy is being delivered. Energy supplied under this EPSA shall be sixty (60) hertz, three (3) phase alternating current.

4. TRANSMISSION

Transmission of Energy to Customer shall be firm transmission as such is defined in the transmission provider's Open Access Transmission Tariff. Company shall be responsible for making all necessary transmission arrangements for transmission of Energy to the Points of Delivery identified above from sources not directly interconnected to the Ameren transmission system, and for any communication with any transmission provider relating to the transmission and delivery of Energy to Customer, including communications concerning scheduling, tagging, displacements, disputes, or other operational issues. Customer shall cooperate with Company for the purpose of attaining the necessary firm transmission service and for implementing the transmission service required for supplying the Energy to the Points of Delivery.

5. METERING

The Parties recognize that certain meters used to measure the amount of Energy received by Customer are owned by Customer. In order that the accuracy of registration is maintained in accordance with good utility practice, metering equipment shall be tested by Customer at suitable

intervals. At the request of Company, special tests shall be performed, but if less than two percent inaccuracy is found, Company shall pay for the test. The expense of all other tests shall be borne by Customer.

Representatives of each Party may be present at all routine or special tests or whenever any readings for the purposes of settlements are taken from meters not having an automatic record. If any test of metering equipment discloses an inaccuracy exceeding two percent, the accounts of the Parties shall be adjusted for the period, not exceeding 90 days, that such inaccuracy is estimated to have existed. Should any metering equipment fail to register, the amounts of Energy delivered and demands established shall be estimated from the best available data. Meters shall be adjusted as nearly as practicable to 100.0% at the time of any meter tests, and Customer shall furnish a copy of any meter test results when requested by Company.

6. SYSTEM PLANNING

In order for Company to plan adequately for Customer's Energy requirements, Customer shall notify Company no later than November 1 of each year of its annual load plan for the next calendar year during the Term. Such annual load plan shall be consistent with the forecasted peak demand reported to the Mid-American Interconnected Network ("MAIN") for such year. Customer shall also provide to Company an update to its annual load plan on or before March 1 of each year during the Term.

7. RECORDS

Customer shall provide Company with all records that may reasonably be requested by Company for the purpose of administering this EPSA. The Parties shall keep such records as may be needed to afford a clear history of all transactions under this Agreement. The originals of all such records shall be retained by each party for a minimum of three years and copies shall be delivered to the other Party upon request.

8. PRICES

A. Charges For Energy Supplied To Customer For Sales Other Than Market Price Sales

1. Capacity Charges

Each calendar year, Company will be entitled to be compensated at a rate of \$69,708/MW/Yr. for the quantity ("Quantity") of capacity supplied, which shall be equal to the greater of: (1) Customer's forecasted peak demand reported to MAIN for that year, or (2) Customer's actual annual peak demand ("Peak Demand"), minus the portion of the forecasted or actual peak demand, as applicable, represented by Market Price Sales. For the purpose of this provision, Customer's forecasted peak demand and actual annual peak demand shall be adjusted for losses to the extent necessary to be determined at the Points of Delivery.

For capacity supplied by Company during the year ending December 31, 2000, the annual capacity charge shall be calculated by multiplying the Quantity by the Rate, and then multiplying the result by

a fraction, the numerator of which is the number of days beginning with the Transfer Date and ending with December 31, 2000, and the denominator of which is 365

Customer shall pay Company monthly for one-twelfth of the applicable annual capacity charges for each calendar year during the Term (or a pro rata share of such annual capacity charges during the year ending December 31, 2000) based on Customer's forecasted peak demand for such year as reported to MAIN. Within 10 days after the close of each calendar year, Company shall calculate the Customer's capacity charges on the basis of Customer's actual annual peak demand. In the event that Customer's actual annual peak demand for such year exceeded its forecasted peak demand that had been reported to MAIN for such year, Customer shall pay Company for any additional capacity charges that are due with respect to such year at the time of payment of its next monthly bill.

2. Energy Charges

In addition to the capacity charges specified above, Customer shall pay Company an energy charge of \$21.81/Mwh for all energy supplied by Company to the Points of Delivery for sale other than as Market Price Sales.

B. Charges For Energy Supplied To Customer For Market Price Sales

In addition to the charges for Energy supplied to Customer as set forth above, Customer shall pay Company an amount equal to the amount Customer receives from retail customers for power and energy sold as Market Price Sales. Within 15 days following the close of each calendar month, Customer shall advise Company of the estimated amount of power and energy sold as Market Price Sales for such month and the average rate per Mwh at which such power and energy was sold. Payments for all Energy supplied to Customer for Market Price Sales shall be remitted by Customer to Company in the month following the month in which Customer receives payment for such Energy.

Within 45 days following the close of each calendar month, Customer shall advise Company of the actual amounts of Market Price Sales for such month, and the subsequent payments from Customer to Company shall be adjusted accordingly.

9. REGULATION

The parties recognize that this EPSA is subject to regulation by the FERC pursuant to Part II of the Federal Power Act. If the FERC should require the modification of this EPSA prior to its acceptance, the parties shall, in good faith, attempt to reach agreement on modifications that would be acceptable to the FERC in a manner that retains the economic benefits intended to be derived by each party under this EPSA.

10. ACCESS

Customer shall provide, at no cost to Company, a suitable place (including means of support) on and access to Customer's property for Company to install, maintain, operate, repair, replace, and remove all equipment and facilities necessary for Company to perform its obligations under this EPSA. Customer shall use reasonable diligence to protect all of Company's equipment located on Customer's property.

11. PAYMENT OF BILLS

- A. BILLING FOR SERVICE:** Bills for Energy supplied to Customer for sales other than Market Price Sales will be based upon the Quantity of capacity and amount of energy supplied by Company at the Points of Delivery. Within 15 days after the close of each calendar month, the Company will issue the bill to Customer electronically (commonly referred to as "EDI"), or other suitable means. If the Company is unable to obtain meter information or final Market Price Sales data is unavailable, an estimated bill will be issued, computed on the basis of Customer's previous use together with such other information as is available. Once all billing information is considered final, the estimated bill will be adjusted and any payment due difference will be reflected on the next scheduled billing.
- B. PAYMENT PERIODS:** The last date for payment of the "net amount" shown on the bill for Energy supplied to Customer for sales other than Market Price Sales shall be seven days after the date the bill is issued (hereinafter "Net Payment Period"). Payment of all amounts for all Energy supplied to Customer for Market Price Sales shall be due on the same date. In the event of a disputed bill Customer shall pay the undisputed portion within the Net Payment Period. When the last day of any Net Payment Period falls on a day other than a business day of Company, such period will be automatically extended to include the next following business day. Other than a business day of Company shall include Saturdays, Sundays, and the following holidays: New Year's day, Lincoln's Birthday, Washington's Birthday, Martin Luther King's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving day, Friday following Thanksgiving day, Christmas Eve (the last day of regular work schedule prior to Christmas day), Christmas day and New Year's Eve (the last day of regular work schedule prior to New Year's day). Whenever a holiday falls on Sunday the following Monday will not be considered a business day. Whenever a holiday falls on a Saturday, the prior Friday will not be considered a business day.
- C. PAYMENT AND LATE PAYMENTS:** Customer shall make payment to Company by wire transfer, or other acceptable means, within the Net Payment Period in immediately available U S funds. When a bill is paid after the last date for payment in the "net amount" shown on the bill a late payment charge equivalent to one and one half (1 1/2) percent will be assessed each month on the unpaid balance.

12. INDEMNIFICATION

Customer shall indemnify and save harmless and defend Company from and against any and all claims, demands, damages, costs or expenses arising, growing out of or resulting in any manner after delivery of Energy to Customer or from improper or negligent construction, installation, insulation, maintenance or operation of Customer's lines and appurtenances.

13. FORCE MAJEURE

In the event of Force Majeure, Company shall notify Customer immediately by oral communication, confirmed in writing, of such occurrence, reporting the commencement time and date, estimated

duration, and estimated magnitude of the reduction in Energy deliveries resulting from the Force Majeure situation. Company shall not be liable for the failure to deliver Energy the full amount or any part of the Energy to be supplied pursuant to this EPSA for the duration of the Force Majeure. For the purpose of this provision, "Force Majeure" means an event or circumstances which prevents Company from performing its obligations under this EPSA, which is not within the reasonable control of the Company, and which, by exercise of due diligence, the Company is unable to overcome or avoid or cause to be avoided. Force Majeure includes, but is not restricted to, fires, strikes, labor stoppages, epidemics, floods, earthquakes, lightening storms, ice, acts of God, riots, civil disturbances, civil war, invasion, insurrection, military or usurped power, war, sabotage, explosions, failure of equipment or of contractors or suppliers of materials or fuel, inability to obtain or ship material, fuel or equipment because of the effect of similar causes on suppliers or carriers, or an action or restraint by court order or public or governmental authority (so long as the Company has not applied for or assisted in the application for such court or governmental action). Force Majeure shall not include Company's ability to sell Energy to another purchaser at a more advantageous price than that contained in this EPSA. The settlement of strikes, walkouts, lockouts, and other labor disputes shall be entirely within the discretion of the Company, and Company may make settlement at such time and on such terms and conditions as it may deem to be advisable. Interruption by a transmission provider shall not be deemed to be an event of Force Majeure unless (i) Company shall have made arrangements with such transmission provider for the firm transmission, as defined under the transmission provider's Open Access Transmission Tariff, of the Energy and (ii) such interruption is due to "force majeure" or "uncontrollable force" or a similar term as defined under the transmission provider's Open Access Transmission Tariff, and (iii) no other path is available and no other remedy is available.

14. ASSIGNMENT

This EPSA shall inure to the benefit of, and be binding upon, the respective successors and assigns of Customer and Company. No assignment of this EPSA shall be made by a Party except to a wholly owned subsidiary or successor to substantially all of that Party's business who assumes possession and operates substantially the same facilities and business as the assignor. Notwithstanding the foregoing, either Party shall be free to assign this EPSA to any of its subsidiaries or affiliates, without the written consent of the other Party. The assignment by a Party shall not relieve the Party, without the written consent of the other Party, of any obligation to provide, or to accept and pay for, as the case may be, the services contracted for hereunder.

15. NOTICES

All notices to be given under this EPSA shall be in writing via First Class U.S. mail, FAX or e-mail and shall be deemed given when sent. Notices shall be addressed as set forth below, or to such other address as the party to be notified may designate from time to time.

Notice to Company:

Jim Whitesides
President
Ameren Energy Marketing Company
400 S. Fourth Street
St. Louis, MO 63102

Notice to Customer:

Gary L. Rainwater
President
AmerenCIPS
One Ameren Plaza
1901 Chouteau Avenue
St. Louis, MO 63103

16. WRITTEN MODIFICATION

The rates for service specified herein shall remain in effect for all Energy supplied by Company through December 31, 2004, and shall not be subject to change through application to the FERC pursuant to the provisions of Section 205 of the Federal Power Act prior to that time absent the agreement of the Parties.

This EPSA shall not be modified except in writing by amendment, executed by both parties, making express reference to the EPSA and the specific provisions hereof modified or amended.

17. LIMITS OF LIABILITY

IN THE EVENT OF LITIGATION UNDER THIS EPSA, THE PREVAILING PARTY SHALL BE ENTITLED TO COMPENSATION FOR ANY REASONABLE ATTORNEYS FEES AND OTHER COSTS THAT MAY BE INCURRED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

18. DUTY TO MITIGATE

Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this EPSA.

19. WAIVERS

Any waiver at any time by either Company or Customer of its rights with respect to a default under this EPSA or with respect to any other matter arising in connection with this EPSA shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this EPSA shall not be deemed a waiver of such right.

20. ENTIRE AGREEMENT

This EPSA contains the entire agreement between the Parties in respect to the subject matter contained herein, and there are no other understandings or agreements between Company and Customer in respect thereof.

21. WARRANTIES

The warranties expressly set forth in this EPSA are the sole warranties given by either Party to the other Party in connection with the sale and purchase of Energy hereunder. EXCEPT AS SET FORTH HEREIN, COMPANY EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR EXAMPLES, OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

22. LIMITATION

This EPSA is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, association, or entity other than the parties to this EPSA, and the obligations herein assumed are solely for the use and benefit of the parties to this EPSA, their successors in interest, or assigns.

23. SURVIVORSHIP OF OBLIGATIONS

The termination of this EPSA shall not discharge any Party from any obligation it owed to the other Party under the EPSA by reason of any transaction, loss, cost, damage, expense or liability which shall occur or arise prior to such termination. It is the intent of the Parties that any such obligation owed (whether the same shall be known or unknown as of the termination of this EPSA) shall survive the termination of this EPSA. The Parties also intend that the indemnification and limitation of liability provisions contained in this EPSA shall remain operative and in full force and effect, regardless of any termination of this EPSA, except with respect to actions or events occurring or arising after such termination is effective.

24. GOVERNING LAW

The interpretation and performance of this EPSA shall be in accordance with and controlled by the laws of the State of Illinois (including any applicable orders and regulations issued by the ICC), except as to matters governed by federal statute.

25. SAVING CLAUSE

The provisions of this EPSA shall be interpreted where possible in a manner to sustain their legality and enforcement. If at any time a provision of this EPSA is found to be unenforceable, such provision shall be removed and the rest of this EPSA shall remain intact and in effect as if the removed provision was never contained therein.

26. RESOLUTION OF DISPUTES

If a question or controversy arises between the Parties concerning the observance or performance of any of the terms, provisions or conditions contained herein or the rights or obligations of either Party under this EPSA, such question or controversy shall in the first instance be the subject of a meeting between the Parties to negotiate a resolution of such dispute. Such meeting shall be held within fifteen (15) days of a request by either Party. If within fifteen (15) days after that meeting, the Parties have not negotiated a resolution or mutually extended the period of negotiation, either Party may seek resolution of the question or controversy by arbitration, subject, however, to any prohibition thereto by any governmental law or regulation.

The Party calling for arbitration ("Initiating Party") shall give written notice to the other Party setting forth (a) a short and plain statement of the issue(s) to be arbitrated; (b) a short and plain statement of the claim showing that the Initiating Party is entitled to relief, and (c) a statement of the relief to which the Initiating Party claims to be entitled. Such written notice including sections (a), (b) and (c) defined above shall not exceed a document length of 20 pages, double spaced utilizing a font of 12. Within twenty (20) days from the date of receipt of such notice, the other Party ("Receiving Party") may submit its written response and give notice in the same manner required above of additional issues to be arbitrated. The Initiating Party shall have twenty (20) days to respond to any issues submitted for arbitration by the Receiving Party.

Within thirty (30) days of the date of the Initiating Party's written notice requesting arbitration, each party shall designate a competent and disinterested person to act as that party's designated arbitrator, with the two (2) persons designated selecting a third neutral arbitrator within twenty (20) days of their designation. In the event the first two- (2) arbitrators cannot agree on a mutually acceptable third arbitrator, they shall apply to the American Arbitration Association ("AAA") to appoint the third arbitrator. The arbitration shall be conducted pursuant to the Federal Rules of Civil Procedure, the Federal Rules of Evidence, and the Commercial Arbitration Rules of the AAA.

Any decision and award of the majority of arbitrators shall be binding upon both parties. The arbitrators shall not award any indirect, special, incidental or consequential damages against either party. Judgment upon the award rendered may be entered in any court of competent jurisdiction.

27. HEADINGS

The descriptive headings of the sections of this EPSA have been inserted for convenience of reference only and shall not modify or restrict any of the terms and provisions thereof.

IN WITNESS WHEREOF, the Parties hereto have caused this EPSA to be executed in duplicate, by its authorized officers, day and year first above written.

AMEREN ENERGY MARKETING
COMPANY

CENTRAL ILLINOIS PUBLIC
SERVICE COMPANY

By 
(Company Officer Signature)

By 
(Customer Officer Signature)

James F. Whitesides
(Printed Name)

Gary L. Rainwater
(Printed Name)

President
(Title)

President
(Title)

Electric Tariff Revisions

The following tables list all AmerenUE Metro East tariff sheets (by sheet number) that have been modified in this filing or are not being filed by AmerenCIPS, and the nature of such revisions. The only sheets not filed by AmerenCIPS were those that were previously designated as being blank or had been previously cancelled by AmerenUE.

Additionally, all asterisks and language pertaining to asterisks in AmerenUE's currently effective tariff sheets were deleted since all tariff sheets are designated as "Original Sheets" by AmerenCIPS.

Electric Delivery Service Tariffs (Proposed Schedule No. 17, Currently UE Schedule No. 7)

Tariff Sheet No.	Nature of Revision
Title	Added title sheet
All	Changed header to reflect Central Illinois Public Service, Ill. C. C. No. 17. Footers changed to reflect petition filing date and Company President
1	Removed Rider DEF
4	Deleted language in item C.
28.001	Replaced Disconnect Notice with AmerenCIPS notice
28.002	Replaced Bill Form with AmerenCIPS bill form
28.003	Replaced Bill Form with AmerenCIPS bill form
38	Removed language referring to Union Electric
60	Eliminated Rider DEF, Decommissioning Expense Factor

Electric Bundled Tariffs (Proposed Schedule No. 18, Currently UE Schedule No. 5)

Tariff Sheet No.	Nature of Revision
Title	Added title sheet
All	Changed header to reflect Central Illinois Public Service, Ill. C. C. No. 18. Footers changed to reflect petition filing date and Company President
1	New Foreword to reflect Petition Filing
2	Corrected Sheet No. reference
3-19	Blank or previously cancelled
22	Blank or previously cancelled
23	Deleted language in paragraph D, no longer applicable
24-26	Blank or previously cancelled
42	Blank or previously cancelled
52-55	Blank or previously cancelled
57-97	Blank or previously cancelled
98	Removed reference to Rider DEF and previously cancelled Rider Q
99-101	Blank or previously cancelled
121.9	Revised Schedule No. reference
121.10	Removed references to Fuel Adjustment Clause in CBR and EBR. Added reference to Order in Docket No. 98-0146 (FAC roll-in)
122	Eliminated Rider DEF, Decommissioning Expense Factor
122.1	Eliminated Rider S, Decommissioning Refund Rider
127	Deleted language in item A. 2., not applicable
146.4	Replaced AmerenUE logo with AmerenCIPS logo
146.41	Replaced AmerenUE logo with AmerenCIPS logo
146.5	Replaced AmerenUE logo with AmerenCIPS logo
146.6	Replaced AmerenUE logo with AmerenCIPS logo
146.7	Replaced AmerenUE logo with AmerenCIPS logo
146.8	Replaced AmerenUE logo with AmerenCIPS logo
146.9	Replaced AmerenUE logo with AmerenCIPS logo
148	Corrected spelling in item 3 b.
150	Blank or previously cancelled
159-160	Blank or previously cancelled
169	Blank or previously cancelled
188	Blank or previously cancelled
190	Blank or previously cancelled

APPENDIX I

Metro East Bundled Electric Service Tariffs

ELECTRICITY

SCHEDULE OF RATES
FOR
ELECTRIC SERVICE

Date of Filing, September 29, 2000

Date Effective,

Issued by G. L. Rainwater, President
607 East Adams Street, Springfield, IL 62739

FOREWORD

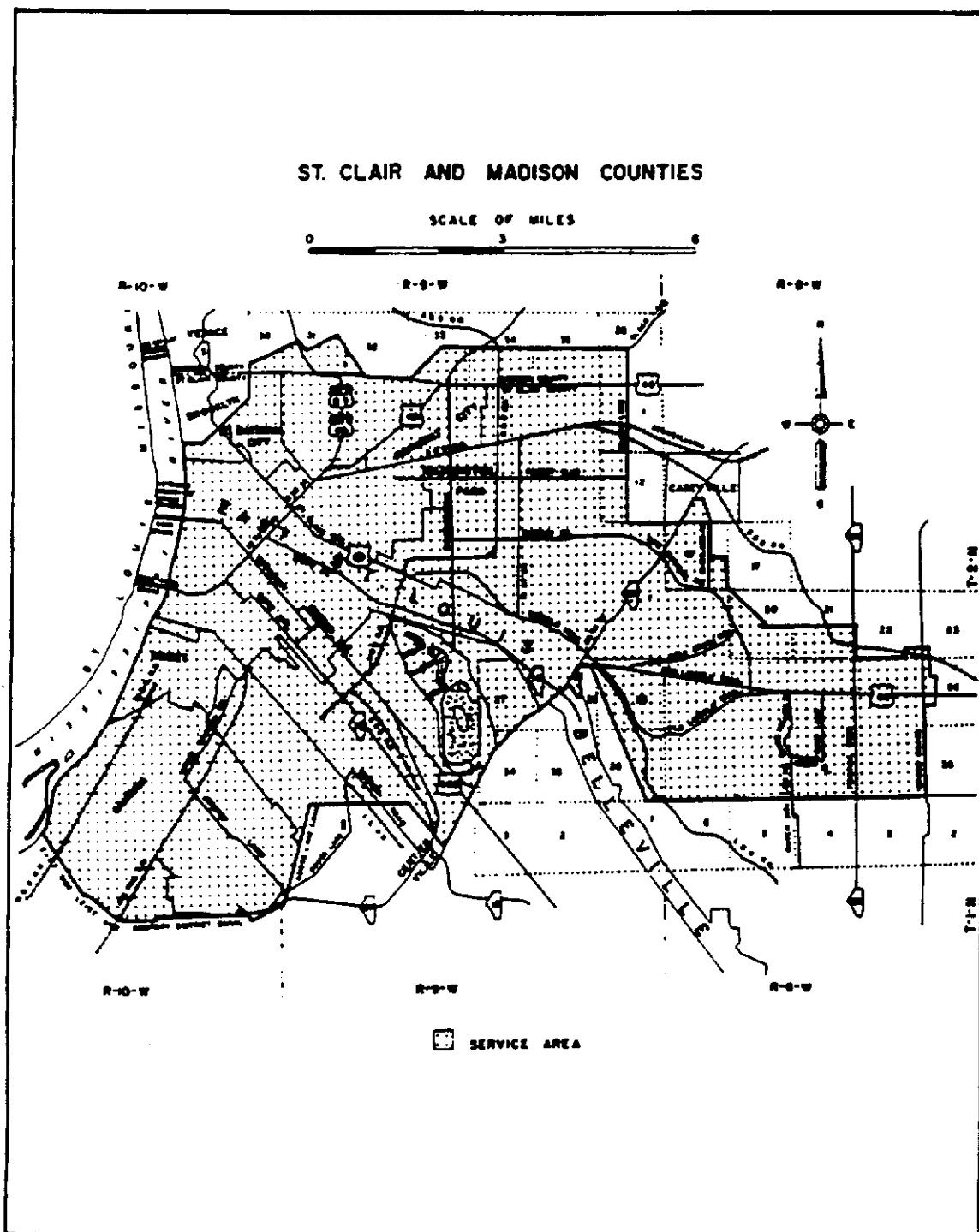
Company has adopted the following tariff schedules of Union Electric Company pursuant to its purchase of the Illinois Service Territory of Union Electric. The Illinois Commerce Commission approved the transfer of the Union Electric Territory to Company in Docket No. 00-____, pursuant to Order dated _____.

The tariffs contained in this Rate Schedule were formerly designated as Schedule No. 5 by Union Electric Company.

The Company has adopted the sheet numbering scheme from Schedule No. 5. However, Company has eliminated all cancelled, blank and any non-essential sheets that do not contain tariffs, rates, terms and conditions.

TABLE OF CONTENTS

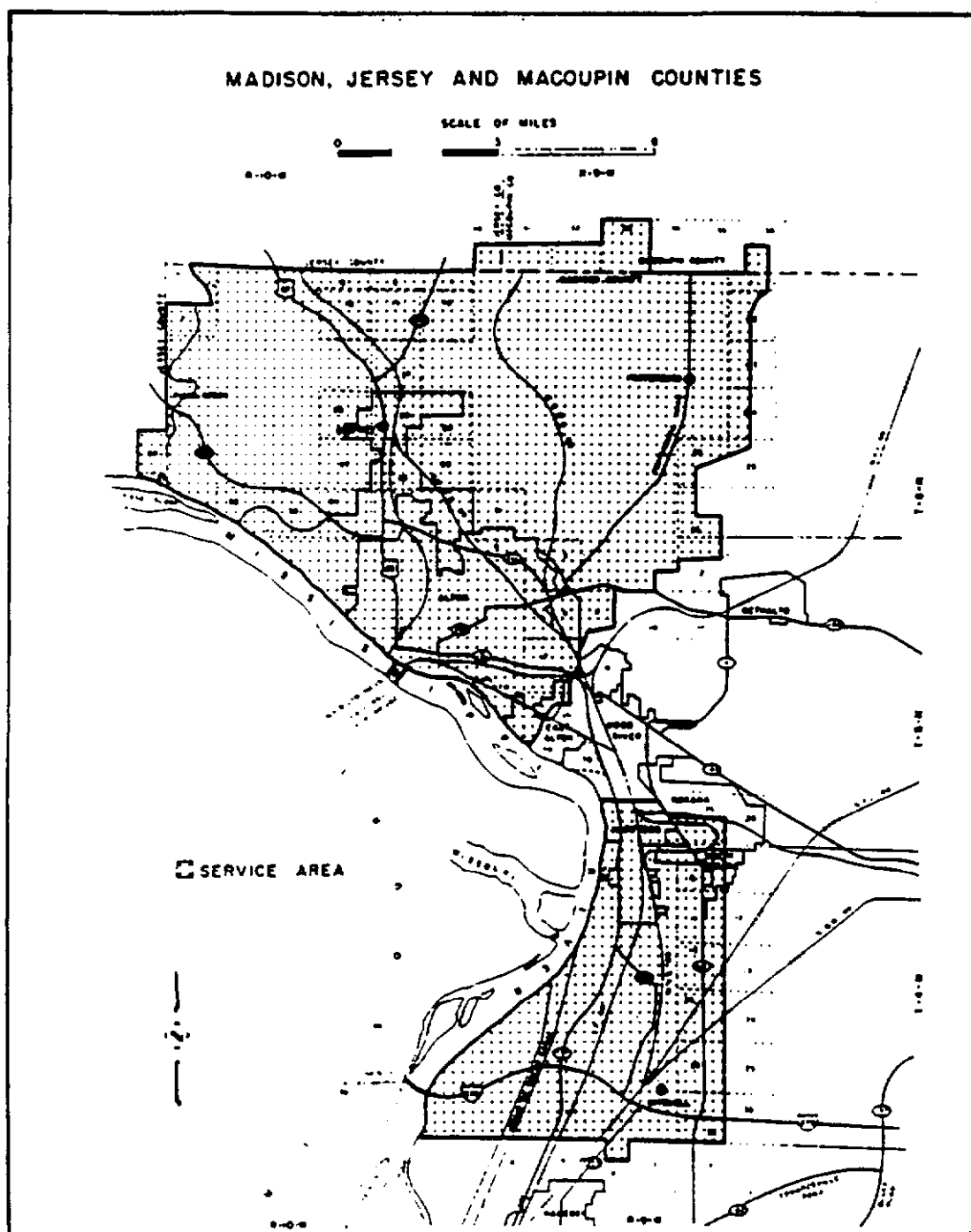
	<u>SHEET NO.</u>
SERVICE AREAS	20
RATES	27
RIDERS	98
GENERAL RULES AND REGULATIONS	123



Date of Filing, September 29, 2000

Date Effective,

Issued by G. L. Rainwater, President
607 East Adams Street, Springfield, IL 62739



Date of Filing, September 29, 2000

Date Effective,

Issued by G. L. Rainwater, President
607 East Adams Street, Springfield, IL 62739

DESCRIPTION OF SERVICE AREAS

The areas described below compromise the Service Areas of the Company in the State of Illinois.

A. St. Clair County, Illinois

All territory generally served by the Company in St. Clair County as shown on Map, Sheet No. 20.

B. Madison, Jersey and Macoupin Counties, Illinois

All territory generally served by the Company in Madison, Jersey and Macoupin Counties as shown on Map, Sheet No. 21.

C. Hancock and Henderson Counties, Illinois

Deleted

D. Adams County, Illinois

Deleted

TABLE OF CONTENTS

RATES

<u>Active Rates</u>	<u>Service Classification</u>	<u>Sheet No.</u>
Residential Service	1(I)	28
Small General Service	2(I)	31
Large General Service	3(I)	33
Primary Service	4(I)	35
Street & Outdoor Area Lighting-Company Owned	5(I)	37
Street & Outdoor Area Lighting-Customer Owned	6(I)	43
Interruptible Power	7(I)	47
<u>Miscellaneous Charges</u>	-	56

SERVICE CLASSIFICATION NO. 1(I)

RESIDENTIAL SERVICE RATE

Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing
periods of June through September)

Customer Charge - per month	\$4.85
All kWh - per kWh	8.673¢

Winter Rate (Applicable during 8 monthly billing
periods of October through May)

Customer Charge - per month	\$4.85
Energy Charge - First 600 kWh - per kWh	5.880¢
- Over 600 kWh - per kWh	2.175¢

Term of Use. Initial period one year, terminable thereafter on three days' notice.

Date of Filing, September 29, 2000

Date Effective,

Issued by G. L. Rainwater, President
607 East Adams Street, Springfield, IL 62739

SERVICE CLASSIFICATION NO. 1(I)

RESIDENTIAL SERVICE RATE

1. Rate Application. This rate is applicable to all normal residential service supplied for:
 - a. Residences. A single-family dwelling or building.
 - b. Apartments. A separately metered individual flat or apartment used as the home or residence of one or more persons, or multiple-occupancy buildings constructed before November 1, 1981 where service is delivered and metered at one point, or one at which such service is delivered at more than one point for valid engineering reasons. The billing provisions for single-metered multiple-occupancy residential buildings are as provided in Paragraph 4.
 - c. Farm Homes and Estates. Supplying combination home and farm use where supplied through a single meter, and limited to the use of service within the residence on the farm or estate and that required for all general farming and agricultural purposes conducted on the premises served. Where separate meters are required to supply operations incidental thereto but located at such distance that they cannot be connected to the main meter, each additional meter shall be billed separately under this rate.
 - d. Recreation Facilities. Summer cottages, homes, trailers or boat slips where individually metered and intended for use by a single family.
2. Character of Service Supplied. Company will specify and supply one standard single phase and, for additional residential requirements, one three-phase secondary service voltage under this service classification, where service will be cumulated for billing purposes. Unless otherwise required for Company's engineering or other reasons, any additional service requested by customer will be provided, subject to the Company's approval, under the provisions of Section II.B.7. - Special Service Facilities. Such additional service, if any, will be cumulated and billed with all other service provided hereunder.
3. Temporary Service. Temporary service requested for residential use will be supplied under the terms and conditions set forth under Rider D.

SERVICE CLASSIFICATION NO. 1(I)
RESIDENTIAL SERVICE RATE - (CONT.)

4. Single-Metered Multiple-Occupancy Residential Buildings. This paragraph applies only to buildings constructed prior to November 1, 1981. The total monthly bill to each such building to which service is delivered and metered at one point shall be equal to the total number of dwelling units therein multiplied by the bill per dwelling unit, which bill per dwelling unit shall be calculated by applying the Residential Service Rate to the average kilowatthour use per dwelling unit (equal to the total building use divided by the number of dwelling units, rounded to the nearest kilowatthour). Electrical use for common building services such as hall lights, elevators and laundry areas used exclusively by tenants may be metered and billed through the main building meter. Use for restaurants, arcade shops, retail stores, office space, or any other commercial venture must be separately metered and billed on the appropriate General Service or Primary Service Rate.
5. Residential Service Rate Not Applicable to
- a. Service supplied through one meter (or more than one meter if the readings thereof are cumulated for billing purposes) to:
 - (1) Premises which consist of one or more dwelling units and a commercial unit, or
 - (2) A residence or dwelling unit when any portion of such service is used in a commercial venture.
- As used herein, the term "dwelling unit" shall mean that portion of a building which by appearance, design or arrangement is normally used for residential purposes by a single family, whether or not actually occupied, and the term "commercial unit" shall mean that portion of a building or premises which by appearance, design or arrangement is normally used for commercial purposes, whether or not actually so used.
- b. Establishments in farming areas processing, distributing or selling farm or other products which do not originate through production on the premises served.
 - c. Multiple-occupancy club houses, recreational lodges or other buildings used for group activities.
6. General Rules and Regulations. In addition to the above specific rules and regulations, all of Company's General Rules and Regulations shall apply to the supply of service under this rate.

**RATE 17-RESIDENTIAL SERVICE
OPTIONAL TIME-OF-USE SERVICE**

AVAILABILITY

Available for any Customer who qualifies for service under Service Classification No. 1(I).

NET RATE PER MONTH

Customer Charge \$6.00 per month

Energy Charge for all kWh used during:

	<u>Summer Rate (1)</u>	<u>Winter Rate (2)</u>
On-peak periods (3)	11.18 cents per kWh	7.58 cents per kWh
Off-peak periods (3)	6.79 cents per kWh	2.20 cents per kWh

- (1) The summer rate shall apply during the 4 monthly billing periods of June through September.
- (2) The winter rate shall apply during the 8 monthly billing periods of October through May.
- (3) "On-Peak" periods, for purposes hereof, shall be the hours of 10:00 A.M. to 10:00 P.M. Monday through Friday, except on days on which the following holidays are observed: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Friday, Christmas Eve Day and Christmas Day. "Off-peak" hours shall be all other hours. All times stated above apply to the local effective time.

MINIMUM BILL

The customer charge each month.

TERMS OF SERVICE

The Term of Service under this rate shall be a minimum of 12 months. A customer may cancel his option to be served under this rate and elect to be transferred to Service Classification No. 1(I) of this Schedule. However, if such transfer to Service Classification No. 1(I) is effected prior to 12 months service hereunder, the Customer shall pay a charge of \$25.00.

All other conditions on Sheet Nos. 29 and 30 of this schedule shall apply.

Date of Filing, September 29, 2000

Date Effective,

Issued by G. L. Rainwater, President
607 East Adams Street, Springfield, IL 62739